

Medicare Prescription Drug, Improvement, and Modernization Act of 2003
**SPECIALIZED MEDICARE ADVANTAGE PLANS
FOR SPECIAL NEEDS BENEFICIARIES**
Section 231

Background

- Before the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA) authorized specialized Medicare Advantage (MA) plans, private Medicare plans were not permitted to limit enrollment to subgroups of the Medicare population. Rather, they had to enroll any eligible individual if they were open for enrollment (which they must be at least once a year) and do not have a capacity waiver.

Provision

- The MMA establishes an MA option for private plans that exclusively or disproportionately enroll “special needs” individuals. Two groups of special needs Medicare individuals are specified-- the institutionalized and those who also have Medicaid coverage. This MA contracting option is available for these two population groups upon enactment, so such plans can submit an application immediately.
- The Secretary is to establish requirements for other “special needs” groups, i.e., those with severe or disabling chronic conditions that would benefit from enrollment in a specialized MA plan. The Secretary may include ESRD beneficiaries as special needs individuals. The MMA requires the Secretary to publish a regulation establishing requirements for these special needs individuals no later than one year after enactment.
- Under the MMA, these MA plans will be paid on the same basis as other MA plans.
- This MA option is available for periods before January 1, 2009. The Secretary is to report to Congress by December 31, 2007 on the quality of services and costs and savings under this option.